



J. TYLER McCAULEY  
AUDITOR-CONTROLLER

**COUNTY OF LOS ANGELES  
DEPARTMENT OF AUDITOR-CONTROLLER**

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October 20, 2006

TO: Mayor Michael D. Antonovich  
Supervisor Gloria Molina  
Supervisor Yvonne B. Burke  
Supervisor Zev Yaroslavsky  
Supervisor Don Knabe

FROM: J. Tyler McCauley *[Signature]*  
Auditor-Controller

SUBJECT: **PROTOTYPES CONTRACT COMPLIANCE REVIEW – MENTAL  
HEALTH SERVICE PROVIDER**

We have completed a contract compliance review of Prototypes (Agency) a Department of Mental Health (DMH) service provider.

**Background**

DMH contracts with Prototypes, a private, non-profit, community-based organization, which provides services to clients in Service Planning Area 3. Services include interviewing program clients, assessing their mental health needs, and developing and implementing a treatment plan. The Agency's headquarters is located in the Second District.

Our review focused on approved Medi-Cal billings where at least 35% of the total service cost was paid using County General Funds. DMH paid Prototypes between \$1.58 and \$3.62 per minute of staff time (\$94.80 to \$217.20 per hour) and \$107.00 per day for services that received this type of funding. DMH contracted with Prototypes to provide approximately \$3.4 million in services for Fiscal Year 2005-06.

**Purpose/Methodology**

The purpose of the review was to determine whether Prototypes provided the services outlined in their contract with the County. We also evaluated whether the Agency achieved planned service levels. Our monitoring visit included a review of a sample of Prototypes' billings, participant charts, and personnel and payroll records. We also

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interviewed staff from Prototypes and interviewed a sample of clients or their parent/guardian if the participant is a minor.

### **Results of Review**

Prototypes used qualified staff and maintained the required staffing ratios to deliver the services. However, Prototypes did not provide documentation to support 716 minutes of the 4,530 minutes sampled. The amount of the over billings totaled \$1,504.

In addition, Prototypes did not complete the Client Care Plans for 12 (28%) of 43 clients sampled in accordance with the County contract, and substantially deviated from contracted service levels without prior written authorization from DMH.

We have attached the details of our review, along with recommendations for corrective action.

### **Review of Report**

We discussed the results of our review with Prototypes on August 22, 2006. In their attached response, the Agency generally agreed with the results of our review and described their corrective actions to address the findings and recommendations contained in the report.

We thank Prototypes management for their cooperation and assistance during this review. Please call me if you have any questions, or your staff may contact Don Chadwick at (626) 293-1102.

JTM:MMO:DC

Attachment

c: David E. Janssen, Chief Administrative Officer  
Dr. Marvin J. Southard, Director, Department of Mental Health  
Dr. Vivian B. Brown, President and CEO, Prototypes  
Public Information Office  
Audit Committee

**COUNTYWIDE CONTRACT MONITORING REVIEW  
FISCAL YEAR 2005-2006  
PROTOTYPES**

**BILLED SERVICES**

**Objective**

Determine whether Prototypes (Agency) provided the services billed in accordance with their contract with Department of Mental Health (DMH).

**Verification**

We judgmentally selected 4,530 minutes from 44,420 service minutes and 10 days from 297 service days of approved Medi-Cal billings to DMH where at least 35% of the total service cost was paid using County General Funds. We reviewed the Progress Notes, Assessments, and Client Care Plans maintained in the clients' chart for the selected billings. The 4,530 minutes and 10 days represent services provided to 43 program clients.

Although we started our review in May 2006, the most current billing information available from DMH's billing system was November and December 2005.

**Results**

Prototypes over billed DMH 816 (18%) of the 4,530 service minutes sampled. The amount of the over billings totaled \$1,656. Specifically, we noted the following:

- The Agency did not provide documentation to support 716 minutes sampled.
- The Agency billed 100 minutes at a rate higher than the contract allows. Specifically, the Agency billed DMH for Medication Support but the services described in the Progress Notes indicated that the Agency provided Mental Health Services.

Prototypes also did not sufficiently document 405 (9%) of the 4,530 service minutes sampled. Specifically, we noted the following:

- The Agency billed 275 minutes for Mental Health Services in which the Progress Notes did not describe what the client or service staff attempted and/or accomplished towards the client's goals.
- The Agency billed 275 minutes in which more than one staff was present during an intervention, but the Progress Notes did not describe the specific contribution of each staff person.

The number of insufficiently documented minutes in the examples above exceeds the overall number of minutes because some of the Progress Notes contained more than one deficiency.

### Client Care Plans

Prototypes did not complete the Client Care Plans for 12 (28%) of 43 clients sampled in accordance with the County contract. The Client Care Plan establishes goals and interventions to address the mental health issues identified in the client's Assessment. Specifically, we noted the following:

- Eleven Client Care Plans did not contain a goal for each type of treatment provided.
- One Client Care Plan did not contain observable and/or quantifiable goals.
- One Client Care Plan was not signed by the participant or legally responsible adult.

The number of Client Care Plans in the examples above exceeds the overall number of Client Plans because some of the Client Care Plans contained more than one deficiency.

### Recommendations

#### **Prototypes management:**

1. **Repay DMH \$1,656 for the amount over billed.**
2. **Maintain sufficient documentation to comply with contract requirements for the services billed to DMH.**
3. **Ensure that Client Care Plans are completed in accordance with the County contract.**

### CLIENT VERIFICATION

#### Objectives

Determine whether the program clients received the services that Prototypes billed DMH.

#### Verification

We interviewed five clients to confirm that they were clients of the Prototypes and that they received the services that the Agency billed DMH.

**Results**

The program clients interviewed stated that they received services from the Agency and that the services met their expectations.

**Recommendation**

There are no recommendations for this section.

**STAFFING LEVELS****Objective**

Determine whether the Agency maintained the appropriate staff to client ratio in its Day Rehabilitation Program.

**Verification**

We selected ten days in November and December 2005 and reviewed the staff and client logs. We also reviewed staff's timecards.

**Results**

The Agency maintained the required staff to client ratio.

**Recommendation**

There are no recommendations for this section.

**STAFFING QUALIFICATIONS****Objective**

Determine whether Prototypes treatment staff possessed the required qualifications to provide the services.

**Verification**

We reviewed the California Board of Behavioral Sciences' website and/or the personnel files for all 37 Prototypes treatment staff for documentation to support their qualifications.

**Results**

Each employee possessed the qualifications required to deliver the services billed.

**Recommendation**

There are no recommendations for this section.

**SERVICE LEVELS****Objective**

Determine whether Prototypes' reported service levels varied significantly from the service levels identified in the DMH contract.

**Verification**

We reviewed Prototypes' Fiscal Year 2004-05 Cost Report and compared the dollar amount and billed units of service to the contracted units of service identified in the contract for the same period.

**Results**

Prototypes operated within its contract amount of \$3.2 million. However, within specific service categories, the Agency significantly deviated from contracted service levels without prior written authorization from DMH. Specifically, the Agency provided 288,000 (75%) less Targeted Case Management Service units than contracted and provided additional service units in other service categories. Agencies are required to request prior approval from DMH to ensure that the County authorizes all changes in contracted mental health services.

**Recommendation**

4. Prototypes management obtain written authorization from DMH prior to deviating from contracted service levels.



CENTERS FOR INNOVATION IN  
HEALTH, MENTAL HEALTH AND SOCIAL SERVICES

2555 East Colorado Blvd., Suite 100, Pasadena, California 91107 • Tel. (626) 577-2261 • Fax (626) 577-2543 • <http://www.prototypes.org>

**I-CAN** Inter-Community Alternatives Network

October 4, 2006

J. Tyler McCauley  
Auditor-Controller  
County of Los Angeles  
Department of Auditor-Controller  
500 West Temple Street, Room 525  
Los Angeles, California 90012-2766

Dear Mr. McCauley,

Please find enclosed PROTOTYPES' revised formal response to the Auditor-Controller Contract Compliance Review.

Please contact me at (626) 577-2261 if you have any questions.

Thank you for your consideration.

Sincerely,

*Merilla M. Scott, Ph.D.*

Merilla M. Scott, Ph.D.  
PROTOTYPES  
Program Director

DEPARTMENT OF AUDITOR-CONTROLLER  
COUNTYWIDE CONTRACT MONITORING DIVISION CONTRACT COMPLIANCE REVIEW  
FISCAL YEAR 2005-2006

**PROTOTYPES FORMAL RESPONSE**

<b>Category of Finding</b>	<b>Reason for Finding</b>	<b>Corrective Action Plan</b>	<b>Implementation</b>
<b>Billed Services</b> Over billed by a total of 816 minutes: 606 minutes 100 minutes 60 minutes 50 minutes	Data Entry Errors – Short staffed- only one data entry specialist and inconsistent internal reconciliation process	Overbillings have been corrected in IS  Reorganized IS Department Increased data entry specialists from 1 to 3 persons  Implemented internal reconciliation process in which billings to IS are compared to progress notes on a weekly and monthly basis	Full Implementation began July 1, 2006
<b>Billed Services</b> Insufficient Documentation in Progress Note:  Staff intervention not documented  Other Staff contribution not documented	Clinician error – training issue	Closer documentation review by supervisors on a weekly basis  Weekly UR Meetings – this area incorporated in review instrument  Monthly documentation trainings by QA Coordinator	Ongoing but enhanced June 1, 2006

<p><b>Billed Services</b></p> <p>12 Incomplete Client Care Plans:</p> <p>11 Care Plans – goals not established for each service type</p> <p>1 Care Plan – goals were not observable and/or quantifiable</p> <p>1 Care Plan – participant (or legal guardian did not sign)</p>	<p>Psychiatrist and clinician training issue</p> <p>Training Issue</p> <p>Training issue</p> <p>Client Sporadic Attendance- a training issue when client's attendance is sporadic</p>	<p>Referral procedure in which clinician completes referral form for a particular service level (e.g. med support, TCM), QA Coordinator approves service after reviewing SFPR status, adding service to coordination plan, psychiatrist's assistant gives psychiatrist paperwork to complete and sign med goal, QA Coordinator gives paperwork to case manager to complete and sign TCM goal</p> <p>Memo to staff about requirement of a goal for each service level provided even when seen for less than one month; Special training of psychiatrists to complete med goals</p> <p>Ongoing training of staff to write observable goals and to ensure that Care Plan is signed even when client's attendance is sporadic and to document client's refusal to sign Care Plan</p>	<p>Memo to staff addressing SFPR responsibilities in assuring that objectives are established for each service mode provided, training of psychiatrists completed in May 2006; QA refresher training in objective setting and CCCP completion provided in August 2006</p>
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<p><b>Service Level</b> TCM 75% less than projected in contract negotiation package and provided additional service units in other service categories without prior written authorization from DMH</p>	<p>DMH allocated funding for adult services to PROTOTYPES in Pomona after reorganization of Tri-City. Start-up was very quick given that client's were without services. TCM projections based on services provided by Tri-City(i.e. TCM). No baseline information at the time. More treatment services actually needed than TCM for clients served – Error that DMH was not informed and revision in projections approved</p>	<p>Projected goals for TCM corrected in Contract Negotiation Package for FY 2006-2007; Implemented an internal tracking system to track projected goals by service level on a weekly, monthly, and quarterly basis. DMH will be notified if there is potentially a significant deviation from the projected goals in the Contract Negotiation Package</p>	<p>July 1, 2006</p>
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October 4, 2006